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SECRET

DEPARTMENT OF STATE
DEPUTY UNDER SECRETARY

8376

September 25, 1959 *WWS*

MEMORANDUM FOR THE SECRETARY

Through: S/S - U - Mr. Dillon
 M - Mr. Murphy
FROM : G - Mr. Merchant

see note attached
Recategorized as
Category "A"

WWS
W/s Warren A. Henderson

I read with surprise and disquiet the attached excerpt from a memorandum of conversation between Ambassador Burden and Secretary McElroy when the former paid a courtesy call on him on September 18.

Unless this reflects a national policy decision of which I am unaware, I feel that it would be desirable on some suitable occasion for you to discuss the matter with Neil McElroy in order to avoid a wider dissemination of a point of view which would have extremely serious consequences on our NATO allies if it were communicated to them.

Enclosure.

cc: EUR - Mr. White

LTM/sp

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/s/ Warren A. Henderson

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EXCERPT FROM MEMORANDUM OF CONVERSATION BETWEEN
SECRETARY McELROY AND AMBASSADOR BURDEN - SEPT. 18, 1959

"The Belgians, as well as the other European countries, are going to have to realize that they will soon have to bear a considerably larger share of the European defense burden. The U.S. is going to have to begin withdrawing forces from Europe and otherwise cutting back in FY 1961. This is necessary not so much because of a desire on our part to reduce our defense expenditures (the U.S. budget will probably be maintained at \$41 billion), but because of our deteriorating foreign exchange position. Mr. McElroy indicated that the U.S. may also find it necessary to take over itself some of the production of military supplies heretofore performed by European firms.

"Secretary McElroy indicated that while the numbers of U.S. forces stationed abroad will be reduced, there will be no abandoning of our commitment. Sufficient troops will be left in all important centers to ensure that the U.S. would immediately participate in any action to counter aggression. At the same time, it would give us a great deal more flexibility to have the principal body of our troop strength in the U.S. where they could be dispatched quickly to any trouble spot.

"Mr. McElroy said that it seemed likely that West Germany would soon be in a position to take over the U.S. role as chief defender of Western Europe. The German forces were rapidly becoming, in Secretary McElroy's opinion, the most technically advanced and most efficient army in NATO, and it seemed logical for them to assume the greatest responsibility."

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L. B. R. T. D.	
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